



STATE OF CALIFORNIA

HEALTH AND WELFARE AGENCY

DEPARTMENT OF SOCIAL SERVICES

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November 13, 1998

TO: All County Welfare Directors
All County Welfare Child Care Coordinators
All Stage Two Alternative Payment Contractors
All Child Care Local Planning Council Coordinators

SUBJECT: Access to the CalWORKs Child Care Reserve Fund

This letter provides instructions for County Welfare Departments (CWDs) and Alternative Payment Contractors (APs) on the process to access the \$183 million reserve for the California Work Opportunity and Responsibility to Kids (CalWORKs) Child Care Stages One and Two program. The 1998/99 Budget Act authorized funding for the CalWORKs Child Care program in each of the three Stages. Stage One, administered by CWDs under the supervision of the California Department of Social Services (CDSS) was allocated \$408,895,000 and Stage Two, administered by the California Department of Education (CDE) through contracts to AP contractors, was appropriated \$216,759,000. The appropriation also included \$50 million for Stage Three set-aside for CalWORKs child care.

In addition to the above funding, the Budget Act authorized a \$183 million reserve to be used by either the CDSS or the CDE for CalWORKs Stages One and Two child care. This money is for direct services, and the administration of direct services, only. This funding can be administered at the local level without the imposition of the federal TANF constraints related to work participation and time limits. The CDSS and the CDE, with input from local agency representatives, have worked together to develop a process by which this money will be allocated. The primary considerations were to get the money out to CWDs and APs in need as quickly as possible so that CalWORKs recipients' child care needs will be met.

In order to access the \$183 million reserve, the CWD and the AP(s) in the county **must** jointly apply for the funds requested and must identify the amount(s) to be used for Stage One and/or Stage Two. To the extent possible and practical within the deadlines required for application for these funds, local planning councils should be involved in this planning process. As the local planning council is required by statute (Education Code Section 8499.5) to conduct an assessment of child care needs and to prepare a comprehensive countywide child care plan, their involvement should enhance a coordinated approach in structuring the funding for the County's Stages One and Two child care program.

Prior to submitting an application for funding from the reserve, available funding for the County's CalWORKs Program should be reviewed, including:

- The CWD's 1998/99 Single Allocation.
- The CWD's roll over funds from the 1997/98 Single Allocation.
- The CWD's reappropriation of unspent child care funds from 1997/98 to 1998/99 (estimated at \$65 million).
- Existing 1998/99 Stage Two contract funding to the APs.
- Any Stage Two roll over funds for APs participating in the pilot allowing AP contract roll over.

If, after review of all available funding, the County partners determine that additional dollars are needed to administer their CalWORKs Stage One and/or Two child care programs, an application signed by both the designee of the CWD and the AP(s) to CDSS must be submitted no later than December 4, 1998. This application must indicate the total dollars requested, the dollar amount for Stage One and/or Stage Two, and the reason why the funds are being requested in a **brief** narrative. This information will assist the two departments in future planning efforts for CalWORKs Stages One and Two. The CWD or AP are not required to submit any data reflective of this request as part of the process. A list of possible criteria for making a request is attached. Counties may use this criteria for guidance, but are not limited to the criteria and may request funding for any allowable Stage One or Stage Two child care expenditure.

Allocations will be released to CWDs by January 2, 1999. Based on the planning process at the local level that identified the need for additional funding, the CWD will contract with the AP(s) for Stage Two services, and/or will use the allocation for Stage One child care. Should the total request from all applications exceed the \$183 million, counties will be allocated an amount that is proportional to their request as a percent to the total reserve.

CWDs and APs anticipating a need for additional Stage Two funds should begin immediately to draft contract language, and to calendar the topic for the County's Board of Supervisors in order to expedite the transfer of money to APs. We would hope that funds designated for APs would be available to the AP no later than February 1, 1999. Since state law requires that only Alternative Payment Providers administer CalWORKs Stage Two Child Care there is no requirement for county welfare departments to conduct a request for proposal in order to secure a contract to administer any funds out of this reserve for CalWORKs Stage Two families. Contract provisions should incorporate CDE's 1998/99 Federal Funding Terms and Conditions in order to assure seamlessness with current Stage Two contract provisions. Since CWDs may sole-source contract these funds, we expect local agencies to move very quickly in projecting the amount of the reserve needed, and in planning the administration of these funds. Local efforts need to begin immediately upon receipt of this letter in order to ensure that the need for this money can be met.

Applications are to be submitted no later than December 4, 1998 to:

Child Care Programs Bureau
California Department of Social Services
744 P Street MS 6-139
Sacramento, CA 95814
FAX (916) 654-1516

Attn: Nancy Remley

Any requests submitted after the December 4th date will have **no** assurance of funding.

For program questions about CalWORKs Stage One Child Care, please contact the County's CDSS Child Care Program Bureau Analyst at (916) 657-2144. For questions about CalWORKs Stage Two Child Care, contact the County Consultant for the CDE Child Development Division, Northern Field Services Unit at (916) 324-6164, and Southern Field Services Unit at (916) 323-1300. For questions on allocations or reappropriation funds, call Lilia Anguiano of the CDSS Contracts and Fiscal Analysis Bureau at (916) 657-3806.

***Original Document Signed By
Bruce Wagstaff on 11/6/98***

BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division
Department of Social Services

***Original Document Signed By
Kathy B. Lewis on 11/6/98***

KATHY B. LEWIS
Deputy Superintendent
Child, Youth and Family Services Branch
California Department of Education

Attachment

The County Welfare Department and the Alternative Payment Contractor(s) will be required to jointly submit a request for the reserve funds. The request will certify that additional dollars are needed for Stage One and/or Stage Two CalWORKS child care and identify the amount for each Stage. The reason(s) that the additional allocation is requested must be identified with a brief narrative explaining the request. When the CWD and AP(s) determine there are sufficient funds within existing allocations, the County should **not** make a request for reserve funds. Possible criteria for making a request are listed below, though not limited to these items.

CalWORKs Stage One Criteria

County Caseload Criteria that exceeds the existing Stage One Allocation

- The number of children requiring non-traditional care, such as after normal work hours or weekends.
- The number of families requiring infant care.
- The number of children requiring special needs care.
- The County's Regional Market Rate is higher than the State average.
- Families served in Stage One have two or more children.
- Two-parent families require child care in order to participate in welfare-to-work activities.
- More than 30 percent of the County's Stage One population requires child care.
- The County has determined that the number of families that should stay in Stage One because their situation has not stabilized will exceed the Stage One Allocation.

CalWORKs Stage Two Criteria

- The County has Stage One families waiting to transfer into Stage Two, or anticipates this will occur in 1998/99.
- Stage Two funding is estimated to be insufficient for all eligible former recipients.
- Stage Two funding is estimated to be insufficient for anticipated Diversion families.
- Stage Two expenditures are anticipated to exceed current allocations given expenditures to date.